

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

July 9, 2015

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:09 a.m. A roll call sheet listing Executive Committee member attendance is attached.

Karen Landers, General Counsel, stated that staff is requesting to add an additional Closed Session Item to the agenda. She noted that pursuant to Government Code Section 54954.2(b)(2), there is a need to take immediate action related to potential litigation and the need for action came to the attention of MTS after the agenda for this meeting was posted. The Closed Session Item refers to the US Department of Labor Grant Certifications under Section 13c. Ms. Landers said that a role needs to be taken to allow this item to be included in the agenda.

Action Taken

Mr. Roberts moved to allow this item to be included in the agenda. Ms. Bragg seconded the motion, and the vote was 4 to 0 in favor with Ms. Emerald absent.

B. APPROVAL OF MINUTES

Mr. Cunningham moved for approval of the minutes of the May 7, 2015, MTS Executive Committee meeting. Ms. Bragg seconded the motion, and the vote was 4 to 0 in favor with Ms. Emerald absent.

C. COMMITTEE DISCUSSION ITEMS

1. Pacific Imperial Railroad (PIR) Desert Line Agreement (Karen Landers)

Ms. Landers provided a presentation regarding the PIR Desert Line Agreement. She provided a brief background and history of the Desert Line; reviewed the current milestones and other aspects of the PIR Agreement; and also reviewed the milestones achieved by PIR to date. Ms. Landers noted that there have been delays with this project caused by Mexico negotiations with Baja California Railroad (BJRR). There have been ongoing negotiations with BJRR since January 2013. Ms. Landers reviewed the recent turning points with BJRR, including the Memorandum of Understanding (MOU) between PIR and BJRR, which was signed on June 22, 2015, stating their commitment to work together to reach a definitive agreement on outstanding issues within six months.

Ms. Landers reviewed the proposals to modify the milestones in the agreement. She noted that the modified milestones will still meet the original 5 year Full Scale Repairs and Operations milestones. The proposed milestones have been divided into two phases. Phase 1, Coyote Wells to Plaster City, will include repairs to Class III standards

instead of Class II standards; providing a six month extension to complete work by March 1, 2016; providing a twelve month extension for Limited Operations by December 31, 2016; and confirming that the Full Scale Repairs will be completed by the original completion date of December 21, 2017. Phase II, Division to Coyote Wells, will include repairs to Class I standard instead of Class II standards; providing a 19.5 month extension, and confirming that the Full Scale Repairs will be completed by the original milestone date of December 21, 2017.

Ms. Landers stated that the revenue owed to MTS will not change. She said that the goal is to use trucking operations as an interim measure until full repairs are complete. Ms. Landers reviewed the recommendation and asked if there were any questions.

Ms. Emerald asked if the amended proposed schedules were realistic. Ms. Landers replied that PIR worked very closely with JL Patterson, PIR's hired engineering and construction firm, and believes that the new proposed milestones are achievable. Ms. Emerald inquired about the bridge construction schedule and asked if that was an achievable goal. Ms. Landers replied that JL Patterson did extensive research on each of the bridges and the details of each repair and they believe this is an achievable goal. Ms. Emerald asked if MTS has liability insurance. Ms. Landers replied that MTS is covered with under a PIR policy. She also noted that MTS has hired an outside consultant, Rail Pros, to review all of the work done by PIR on this project.

Mr. Cunningham inquired if after the 19.5 months, if all of the bridges will be completed. He also asked if MTS will be tracking this work to ensure that the work is being done in a timely manner. Ms. Landers replied that an option that can be added to the staff recommendation is to have the CEO manage the mini-milestones to ensure that each bridge is completed in the estimated stated amount of time. Mr. Cunningham commented on the recent MOU signing between PIR and BJRR and said it was a great step forward.

Mr. Roberts commented that he believes the proposed modifications to the milestones are very modest and moved to forward this recommendation to the Board of Directors.

Action Taken

Mr. Roberts moved to forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute an Amendment to the Desert Line Lease and Operating Agreement (MTS Doc. No. S200-13-560.1) substantially in conformance with Attachment A. Ms. Emerald seconded the motion, and the vote was 5 to 0 in favor.

2. Comic-Con 2015 (Wayne Terry and Rob Schupp)

Rob Schupp, Director of Marketing and Communications, and Wayne Terry, Chief Operating Officer – Rail Division, provided a presentation on the upcoming Comic-Con 2015. Mr. Terry reviewed the service plan for the trolley lines and noted that there would be higher frequencies of trolleys to help with the large crowds. He commented that in 2014 there were 240,000 riders during this event. Mr. Terry also said that MTS's additional service expenses will approach approximately \$300,000.

Ms. Bragg inquired about the types of extensions that will be done on the Blue Line. Mr. Terry replied that the Blue Line service times will be extended longer hours with short frequencies.

Mr. Schupp continued the presentation and presented pictures of trolley wraps that were applied to 34 of the trolleys for Comic-Con. He commented that there are 2 station activations located at the Gaslamp Station and the Convention Center. He presented additional pictures relating to Comic-Con located around the Downtown San Diego area. Mr. Schupp said that MTS is providing special Comic-Con commemorative transit day passes as well as mobile ticketing on the m-Ticket phone application. Mr. Schupp reviewed the estimated revenue that MTS will receive from advertising. He said that the advertising revenue is estimated at approximately \$438,000, and noted that amount does not include fare revenue.

Ms. Bragg commented that she would like to see an overall increase in advertising revenue from the trolley and bus wraps. She also recommended raising the price for the wraps going forward.

D. REVIEW OF DRAFT July 16, 2015 BOARD AGENDA (TAKEN OUT OF ORDER)

Recommended Consent Items

6. Increased Authorization for Legal Service Contracts to Pay Projected Expenses in Fiscal Year 2016
Action would approve increasing the dollar amount of nine (9) legal services contracts to cover anticipated fiscal year 16 (FY16) expenses.
7. Investment Report – May 2015
8. San Diego Metropolitan Transit System (MTS) Task Order Contract Approval for Old Town Transit Center (OTTC) West Improvements
Action would authorize the Chief Executive Officer (CEO) to execute Work Order 13.18 for MTS Doc. No. G1493.0-13 with Kimley-Horn & Associates Inc. to perform Design-Engineering Services for Old Town Transit Center West (OTTC West) Improvements.
9. San Ysidro Radio Tower Installation – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc No. PWB174.0-15 with Day Wireless Systems, Inc., for the installation of the San Ysidro Radio Tower, as an expansion site of the Regional Transit Management System (RTMS) radio system.
10. Disadvantaged Business Enterprise (DBE) Overall Goal
Action would adopt a 3.75% goal for DBE-participation in federally funded contracts over the Federal Fiscal Year (FFY) 2016 to FFY 2018 triennial period.
11. Revisions to Board Policy No. 26, Disadvantaged Business Enterprise Program
Action would approve revisions to Board Policy No. 26, Disadvantaged Business Enterprise Program.

12. Variable Message Signs for Green Line Communications System Upgrade Project – Sole Source Purchase Order
Action would authorize the Chief Executive Officer (CEO) to issue a purchase order to Daktronics, on a sole-source basis, for the procurement of eighty three (83) Variable Message Signs (VMS) for the Green Line Communications System Upgrade Project.
13. Radio Communications Support Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Document No. L1246.0-15 with Day Wireless Systems for the provisions of radio communication support services for five years beginning on August 1, 2015 and ending July 31, 2020.
14. September 2015 Service Changes
15. MTS Taxicab Administration Administrative Penalty Guidelines
Action would approve the proposed revisions to the MTS Taxicab Administrative Penalty Guidelines.
16. SD-100 Light Rail Vehicle Gate Turn Off Firing Boards – Sole Source Purchase Order
Action would authorize the Chief Executive Officer (CEO) to issue a purchase order to Siemens Transportation Systems Corporation (Siemens), on a sole source basis, for the purchase of thirty (30) Gate Turn-Off (GTO) Firing Board for MTS's fleet of SD-100 Light Rail Vehicles (LRVs).

BOARD MEMBER COMMENTS

Mr. Cunningham commented on Agenda Item Number 6, Increased Authorization for Legal Services Contracts, and asked why the referenced contracts needed increased amounts. Ms. Landers replied that staff has made price estimations based on previous usage needs and these contract increases will help ensure that enough money is available to last through the next fiscal year. Mr. Jablonski noted that over the last few years the amount spent on attorney's fees have gone down. Mr. Cunningham inquired if MTS has thought about hiring additional in-house attorneys instead of contracting out the work. Mr. Jablonski replied that staff and the Executive Committee had previously looked at that option and determined that having a broad spectrum of capabilities with outside counsel was more beneficial than having an in-house attorney with limited proficiencies.

Ms. Cooney commented on Agenda Item Number 14, September 2015 Service Changes. She stated that this item is for informational purposes only, because the service changes are minor or were previously authorized by the Board.

Ms. Emerald inquired about Agenda Item Number 30, MTS Blue Line Naming Rights. She asked if MTS was working directly with the University of California San Diego (UC San Diego) and how much revenue is estimated from this deal. Mr. Jablonski stated that the naming rights agreement is with UC San Diego. He noted that the primary partner in this agreement is the UC Health System. The agreement is a 30 year deal for the naming rights on the Blue Line. The agreement includes naming rights at three trolley stations including Old Town and two Mid-Coast stations. The payment schedule will begin with \$675,000 per year, and then it will increase to \$945,000 per year once Mid-Coast has opened, and then each subsequent year the payment will increase at rate of

Consumer Price Index (CPI). Mr. Jablonski also noted that this agreement includes six trolley wraps and signage at the trolley stations.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA (TAKEN BEFORE CLOSED SESSION)

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS (TAKEN BEFORE CLOSED SESSION)

Mr. Cunningham commented that the International Special Olympics athletes will be arriving in San Diego. He commented that there will be a torch lighting event on Wednesday at Lake Poway and on Thursday at Petco Park. He also noted that the main events will take place at the Los Angeles Coliseum.

G. PUBLIC COMMENTS (TAKEN BEFORE CLOSED SESSION)

There were no Public Comments.

The Executive Committee convened for Closed Session at 10:13 a.m.

C3. CLOSED SESSION – CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to California Government Code Section 54956.8

Property: APN 451-590-79-00 (Northeast side of Pacific Highway frontage road, north of Washington Street)

Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets

Negotiating Parties: Kennebec Properties II LLC

Under Negotiation: Price and Terms of Payment

C4. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION Pursuant to California Government Code Section 54956.9 (U.S. Department of Labor)

The Executive Committee reconvened from Closed Session at 10:57 a.m.

Oral Report on Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

C3. The Executive Committee received a report from real property negotiators and gave instructions.

C4. The Executive Committee received a report from legal counsel and gave instructions.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for August 20, 2015, at 9:00 a.m. in the Executive Committee Conference Room.

Executive Committee Meeting – MINUTES

July 9, 2015

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I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:57 a.m.

A handwritten signature in dark ink, appearing to be "J. Mathis", written over a horizontal line.

Chairman

Attachment: A. Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) July 9, 2015

CALL TO ORDER (TIME) 9:09 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION 10:13 am.

RECONVENE 10:57 a.m.

ADJOURN 10:57 a.m..

BOARD MEMBER		(Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BRAGG	<input checked="" type="checkbox"/>	(Rios)	<input type="checkbox"/>	9:09 a.m.	10:57 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/>	(McClellan)	<input type="checkbox"/>	9:09 a.m.	10:57 a.m.
GLORIA	<input type="checkbox"/>	(Emerald)	<input checked="" type="checkbox"/>	9:12 a.m.	10:57 a.m.
MATHIS	<input checked="" type="checkbox"/>			9:09 a.m.	10:57 a.m.
ROBERTS	<input checked="" type="checkbox"/>	(Cox)	<input type="checkbox"/>	9:09 a.m.	10:57 a.m.
Transportation Committee Rep Slot (Mathis)					

SIGNED BY THE CLERK OF THE BOARD:



CONFIRMED BY THE GENERAL COUNSEL:

